

## APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2003-00029 DATED February 17, 2004.

RECEIVED

PUBLIC SERVICE  
COMMISSION

CASE NO. 2003-00029

# SETTLEMENT AGREEMENT

WITNESSETH:

WHEREAS, Commission Staff in its Investigation Report alleged that LG&E failed to comply with the National Electric Safety Code (1990 Edition) and that this failure constituted probable violations of Commission Regulations 807 KAR 5:041, Section 3:

WHEREAS, on June 6, 2003, the Public Service Commission ("Commission") found that prima facie evidence existed that LG&E had failed to comply with Commission Regulations 807 KAR 5:041, Section 3;

WHEREAS, on June 6, 2003, the Commission entered a show cause Order in Case No. 2003-00029 ordering LG&E to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violation of Commission Regulations;

WHEREAS, LG&E filed its response to the show cause Order and requested an informal conference with Commission Staff which was held at the Commission's offices on July 15, 2003; and

WHEREAS, LG&E and Commission Staff desire to settle the issues raised by this proceeding:

NOW, THEREFORE, LG&E and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, LG&E shall pay to the Commonwealth of Kentucky the sum of Seven Thousand Five Hundred Dollars (\$7,500). This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40601.
2. This Agreement is subject to the acceptance of, and the approval by, the Commission.
3. Nothing contained herein shall be construed as an admission of a violation of any Commission regulation or any provision of the NESC by LG&E; nor shall the

Commission's acceptance of this Agreement be construed as a finding of a violation of Commission regulation or any provision of the NESC.

4. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

5. If the Public Service Commission accepts and adopts this Settlement in its entirety and enters an order in this proceeding to that effect, LG&E shall not apply for rehearing in this proceeding nor bring an action for review of that Order.

6. Commission Staff shall recommend to the Public Service Commission that this Agreement be accepted and approved.

IN WITNESS WHEREOF, LG&E and Commission Staff have executed this Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE  
COMMISSION OF KENTUCKY

LOUISVILLE GAS AND ELECTRIC COMPANY

BY: Anita Mitchell  
ANITA MITCHELL  
Staff Attorney

BY: Linda Portasik  
LINDA PORTASIK  
Attorney for LG&E